WRITTEN ANSWERS TO STARRED QUESTIONS

Investment in Tata Tele Services by VSNL

*63. SHRI RAJKUMAR DHOOT : Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state :

(a) whether it is a fact that Government-Tata row over Rs. 1,200 crore investment by VSNL funds into Tata Tele Services Ltd. has come to an end;

(b) the reasons and basis for the controversy;

(c) the details of the agreement or settlement arrived at; and

(d) the benefits expected to accrue to Government and the public by the revised proposal ?

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN) : (a) and (b) A dispute has arisen because of a claim by VSNL that the VSNL Board had taken an unanimous decision to invest Rs. 1,200 Crores in Tata Tele Services Limited (TTSL) despite the fact that the Government nominee has expressed his reservation and the decision was not unanimous. The Government has desired that before the final decision is taken, careful analysis and consideration and the desirability of such an investment by VSNL in the targetted Company may be undertaken through the process of study by the Sub-Committee proposed by the Board as per enlarged scope of the Committee.

(c) The scope and terms of reference of the proposed Committee are specified as under :

I. to study and decide the quantum and the valuation/price at which the investment will be made by VSNL in TTSL at various points of time;

II. to decide the tranches and periodicity of investment in TTSL;

III. to negotiate, finalise and execute shareholders agreements and other contractual arrangements with TTSL to best protect the interests of VSNL in respect of the investment;

IV. to determine conditions of draw down of the investment to TTSL linked to defined milestones to be achieved by TTSL;

V. to play a constructive role in the manner in which TTSL utilizes and applies the investment;

VI. to identify and quantify any additional investment opportunities which are more attractive and submit the same to the Board for its consideration;

VII. such other functions as may be delegated to it by the Board from time to time.

(d) The benefits expected to accrue to Government and the public by the revised proposal are that while VSNL will be able to expand its activity, it would ensure that best possible investment was made that fully protects the interest of the Government.

Payments to cane growers by sugar mills in U.P.

*64. SHRI HARENDRA SINGH MALIK : Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state :

(a) whether Government are aware that sugar mills in Uttar Pradesh are not making full payment to cane growers;

(b) if so, the details thereof; and

(c) the remedial steps taken/proposed to be taken by Government in this regard?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV) : (a) and (b) According to the information received from the Government of Uttar Pradesh, the total cane price dues payable by the sugar mills of the State during the current crushing season 2001-2002 were Rs. 5093.65 crores against which the amount paid was Rs. 4072.48 crores as on 5-7-2002.

(c) The Government of Uttar Pradesh is periodically monitoring the cane price payment position. The State Government has issued directions to the sugar mills that have defaulted in timely cane price payment to expedite cane